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Computer Risk Management

Export Finance Systems, Inc.
Application Security Review

ARTHUR ANDERSEN

Arthur Andersen LLP

333 West San Carlos St., Suite 1500
San Jose, CA 95110

January 10, 2000

Mr. Robert S. Martin
Senior Vice President & Chief Operating Officer
44 Montgomery Street, Suite 1308
San Francisco, CA 94104

Dear Mr. Martin:

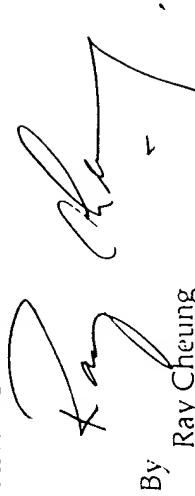
Thank you for the opportunity to present this Security Review and Testing proposal to Export Finance Systems, Inc. ("EFS"). From our prior discussions, we understand how critical the application security architecture and network are to your business. With the associated adoption of internet technologies, we recognize the importance of managing the associated confidentiality and availability risks to EFS and its business partners and customers.

Therefore, we have assembled a team of highly qualified, seasoned professionals with the skills necessary to address the technical requirements of this engagement and the experience to deliver these services in an effective manner. The hallmark of Arthur Andersen is the quality, creativity and responsiveness of our people and we pledge to bring the highest level of professional service to EFS.

The accompanying document outlines our services, objectives, scope, information security framework, and project fees as you requested. We also present our suggested common services delivery framework and our approach to performing this work. We look forward to working with EFS on this project. We are prepared to begin at your earliest convenience.

Should you have any questions regarding this document or any other matters, please do not hesitate to call me at (408) 977-3252.

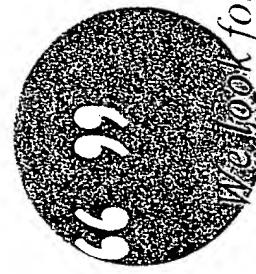
Very truly yours,
ARTHUR ANDERSEN LLP



Ray Cheung

By, Ray Cheung
Senior Manager

Introduction and Background

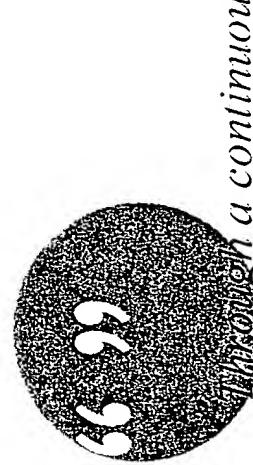


*We look forward
to working with
you*

Export Finance Systems has contracted with InfoRespond to build version 3.0 of their EFS application. This application will use a secure Internet environment to enable participation of manufacturers/exporters, financial institutions, credit insurers, and insurance brokers in the process of financing, insuring, and securitizing accounts receivable on terms up to one year.

EFS would like to have a security assessment of this application performed, including guidance during development, and review of security after completion and deployment into a production-ready environment.

Project Objectives and Scope



Through a continuous feedback process, we will ensure that project objectives are being met

Our security audit of the EFS version 3.0 application will encompass the following primary objectives, in a phased approach:

Phase I: During application development

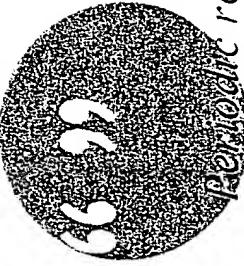
- ④ Review of the application security architecture, identifying vulnerabilities and the risk of their being exploited. Performing this at the “front end” will allow for changes prior to deployment.
- ④ Analysis of application data flow architecture to ensure that data integrity is maintained
- ④ Review of the role-based access control methodology

Project Objectives and Scope (2)

Phase II: Post-implementation

- Security analysis of the deployed EFS v3.0 environment, working through the layers of the Arthur Andersen Information Security Frameworksm. Review of physical security will be contingent on selection of a hosting provider.
- Review of, if available, the SAS 70 report of the selected hosting ISP
- Penetration testing of a production-ready EFS v3.0 environment
- Testing of system fail-over functionality

Project Scope Limitations



- ④ Our review will only address the server-side environment, and excludes any client-side review.
- ④ A WebTrust-type attestation review is outside the scope of this project and would be addressed separately once the application is in production. This would best be done at least 3 months after going live, when initial bugs are worked out.

Review and assurance of adherence to documented processes can engender trust by the users of the application

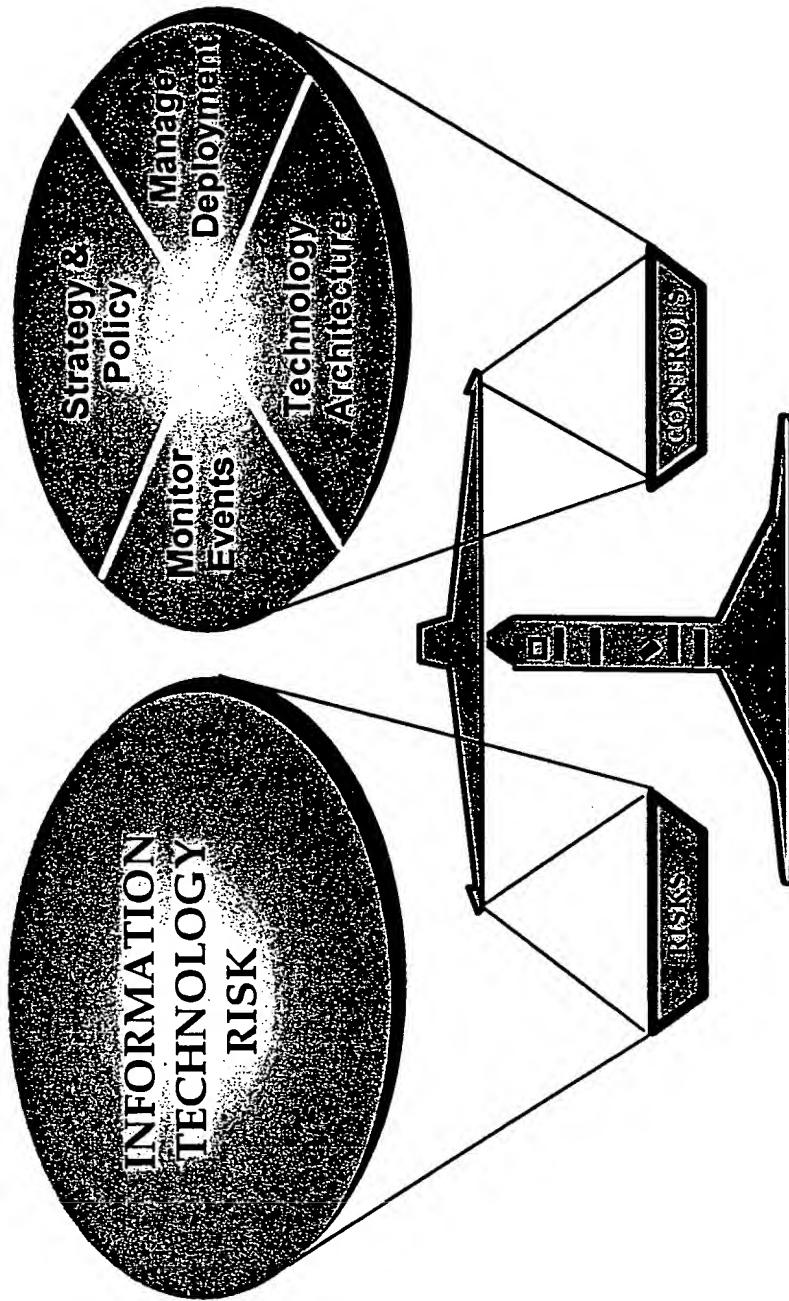
Business Risk



Our review will focus on balanced risk management, and follow our Information Security Framework methodology.

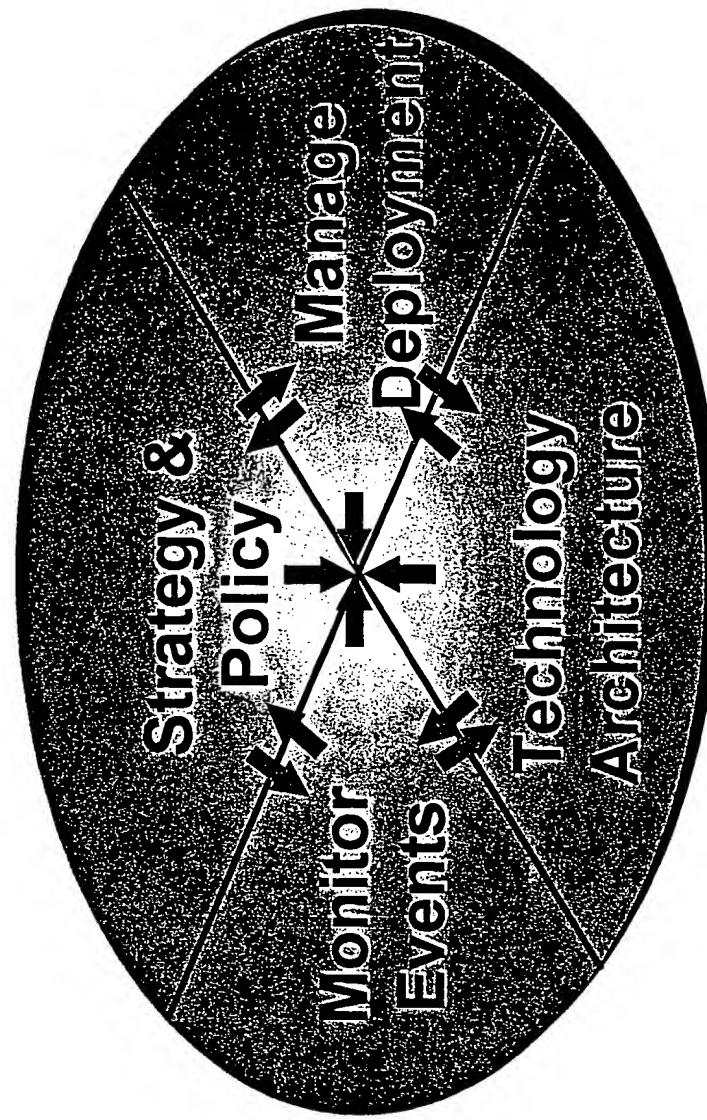
IT BUSINESS RELATED RISKS

CONTROL ELEMENTS

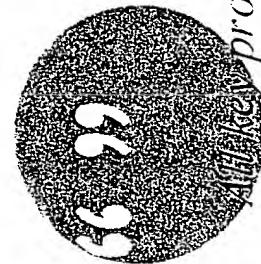


Information security risk management should encompass a combination of strategy, organization, process and technology

Information Security Framework

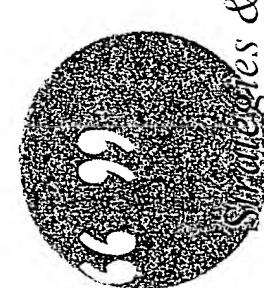


processes
are discrete, yet
dependent upon
each other





Information Security Framework



Policies must be consistent and pervasive at each level

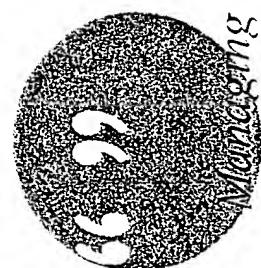


- Management policies set the tone for the effectiveness of the entire security program. Policies should:
 - Define the level of risk that management is willing to accept
 - Be concise, understandable and enforceable
 - Be customized to the specific business unit to which they apply
 - Encompass the critical systems and processing environments
 - Establish guidelines and examples for consistency





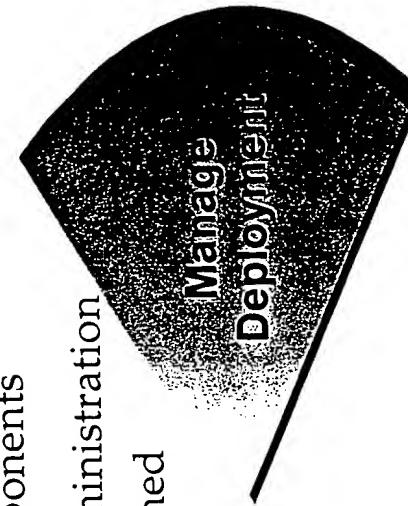
Information Security Framework



Managing Deployment requires an understanding of the security implications of each change

Managing Deployment involves a series of processes that include:

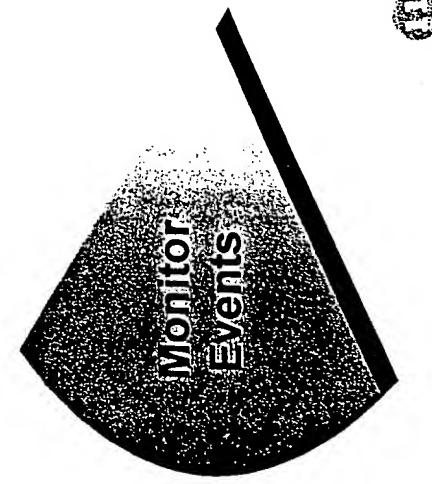
- Managing the changing technical architecture, including networking components
- Establishing a Security Administration function to enforce established policies and procedures
- Security designed into new and modified applications
- User, Resource, and Group Strategy & Definition
- Addressing organizational changes
- Security training and awareness



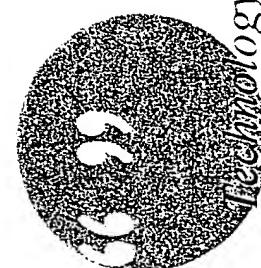
Information Security Framework

Monitoring Events requires ongoing attention to identify possible performance issues and compromises

- ④ Monitoring Events encompasses a series of processes including:
 - ④ Evaluating the performance impact of security on users and technical architecture
 - ④ Identification of security-relevant risks in new and existing technologies
 - ④ Defining and evaluating abnormalities through effective reporting, audit trails, violation reports, etc.
- ④ Changes in organizational dynamics
- ④ Compliance with policies
 - ④ Recertification of users and rights/privileges
 - ④ Breach detection



Information Security Framework

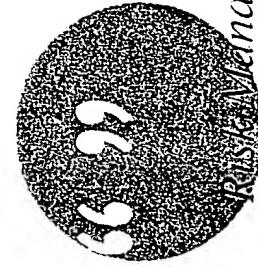


Technology
Architecture
encompasses the
tools and
processes that
enable you to meet
your security
objectives

- Applications
 - Access
 - Authorization
 - Function Segregation
 - Monitoring
- Network
 - Access / Authentication
 - Intrusion Detection
 - Firewall
 - Monitoring
 - Dial Up
 - Encryption
- Server/Host
 - Data Access
 - Firewall
 - Monitoring
 - Change Control
- Database
 - Access
 - Fallback / recovery
- End User Computing
 - Access
 - Administration
 - Monitoring

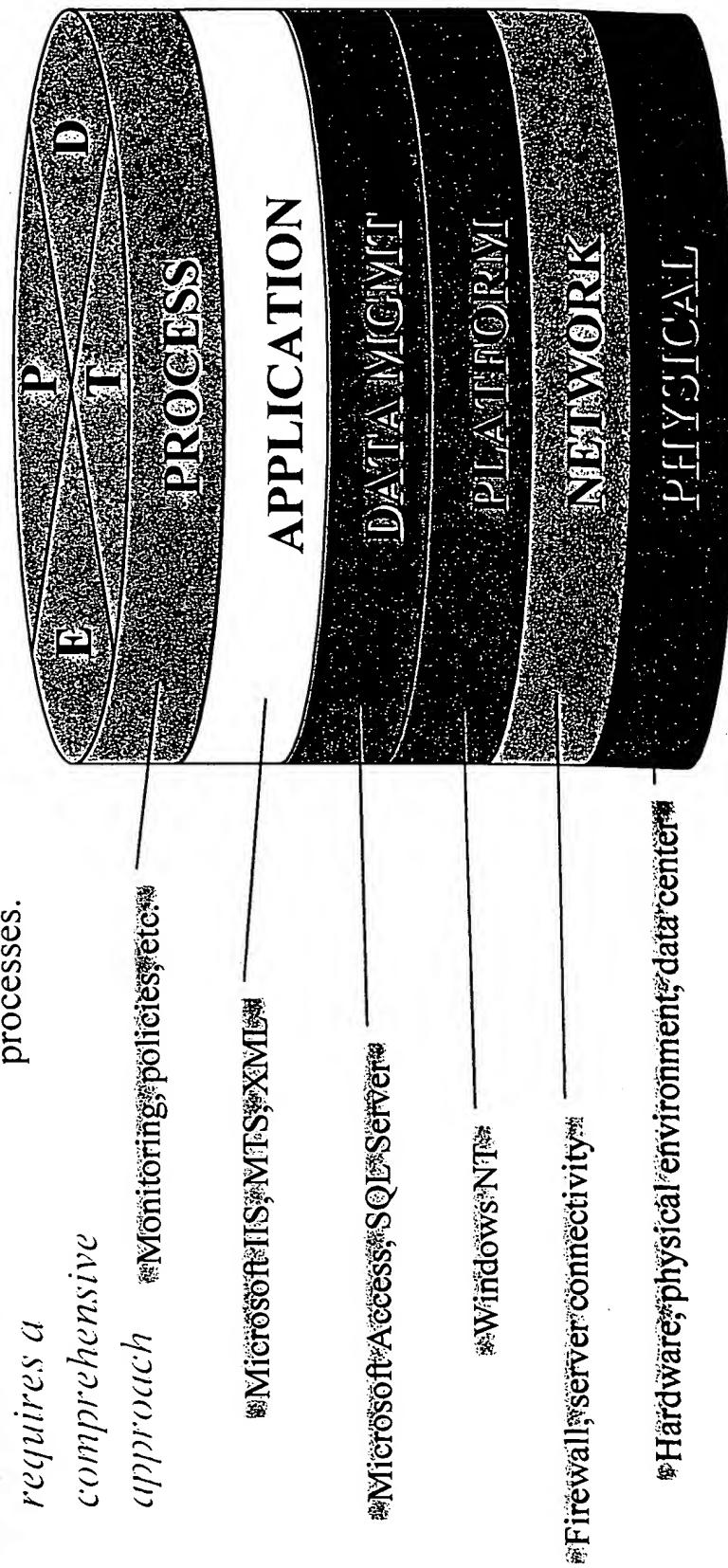


Information Security Framework

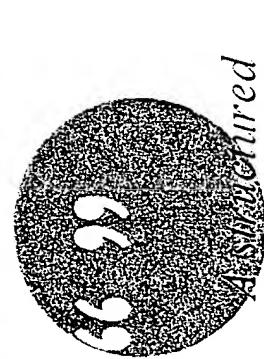


The four business risk control elements are each composed of six layers, from physical security up through security management processes.

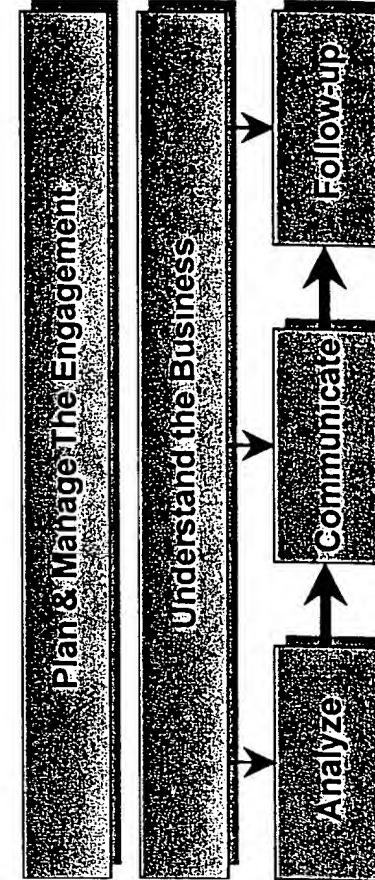
P - Strategy & Policy
E - Monitor Events
T - Technology Architecture
D - Manage Deployment



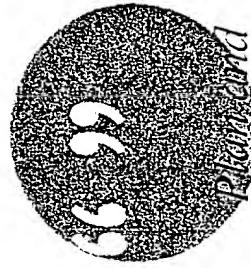
Our Approach



The Common Service Delivery Model illustrates our structured, methodical approach to every engagement. Throughout the process, we continually solicit input and feedback from you to ensure that we are on track to exceed expectations.



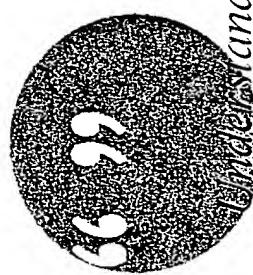
Manage the Engagement



- ② Project Management and Execution
 - ② Confirm the Scope and Approach
 - ② Conduct the project kick-off meeting
 - ② Schedule progress meetings with the project team

*Manage the
Engagement*

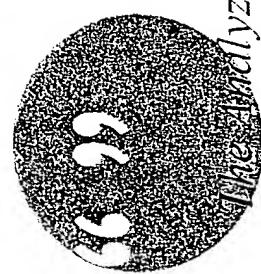
Understand the Business



*Understand the
Business*

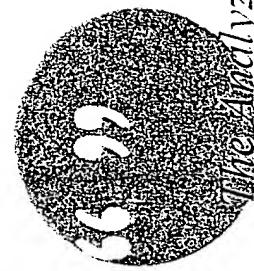
- ④ Organization and Architecture
- ④ Gather and review system specifications
- ④ Understand business processes
- ④ Understand user roles
- ④ Gather documentation and map EFS v3
- ④ information flows, interfaces, and major nodes

Analyze



The Analyze phase addresses each of the layers of the Information Security Framework

- ④ Process: Management Processes and Controls
- ④ Assess overall EFS architecture
- ④ Analyze EFS process model
- ④ Analyze EFS data flow diagrams
- ④ Analyze EFS general security policies and requirements
- ④ Analyze overall administration processes and procedures
- ④ Application: Microsoft IIS, et al.
 - ④ Analyze EFS application's security mechanisms, logs, and associated documentation
 - ④ Analyze EFS authentication process, module, and design features

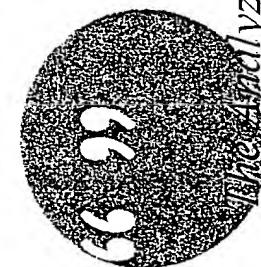


The Analyze phase addresses each of the layers of the Information Security Framework

- Database: MS Access and SQL Server Security
 - Analyze data sharing model
 - Review data structures and information process flows
- Review controls over data storage and retrieval
- Platform: Windows NT Preventative, Monitoring, and Detective Security
 - Analyze network security and standard configuration policy
- Analyze local access procedures and security
 - Analyze system maintenance process
 - Analyze authentication to host system
 - Analyze auditing and event logging

Analyze

Analyze

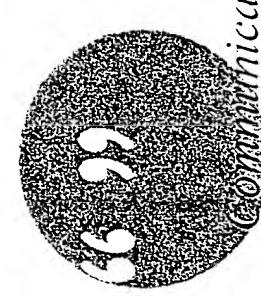


- ④ Network: Connectivity Architecture and Security Controls
 - ④ Analyze the network security and standard configuration policy
 - ④ Analyze remote dial authentication process
 - ④ Analyze host authentication process
 - ④ Analyze host access logging and auditing process
 - ④ Analyze firewall configuration and maintenance process
- ④ Physical Security Requirements and Controls
 - ④ Analyze hosting site security as needed. This may, however, result in a scope redefinition.
 - ④ Review back-up and recovery security



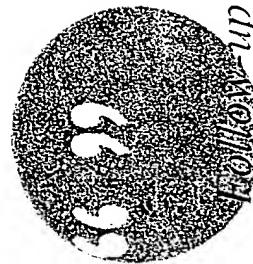
Communication

- ④ Report Findings
- ④ Execute regular status meetings
- ④ Monitor, escalate, and track project issues
- ④ Draft report and verify
- ④ Submit final report



*Communicate
our Findings*

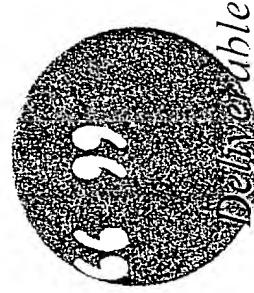
Follow-up



Follow-up will ensure that objectives are met at each stage of the project

- (1) Phase 1 & 2
 - Identify gaps - \$15K
 - Refine workplan for Phase 2 - \$20K
- (2) Phase 3
 - Return as necessary for WebTrust attestation (Separate engagement)

Deliverable



Outline

- ⑥ Our deliverable will be a presentation-style report identifying control strengths and weaknesses, and recommendations on how to address them, in a matrix format
- ⑥ The report will include:
 - ⑥ Executive summary
 - ⑥ Background information
 - ⑥ Objectives
 - ⑥ Scope of work
 - ⑥ Work performed
- ⑥ A detailed action plan tailored to your specifications, based upon Best Practices

Project Fees

We are committed to make substantial investment in EFS. The project fees reflect our commitment and estimated fees and expenses for the EFS application security review would be as follows:

- ④ Duration: approximately 5 - 6 weeks from project initiation for Phase 1 and Phase 2.

- ④ How many hours?
- ④ Fee: \$35,000 (\$15,000 for Phase 1 and \$20,000 for Phase 2)

- ④ Expenses: not to exceed 10% of project fees

Customer Satisfaction



Arthur Andersen ...
dominated the study [and
was] the first firm to
achieve a 5 STAR rating in
overall satisfaction since
the inception of our
research in 1993. Reaching
5 STAR status with many
of the most sophisticated
buyers of professional
services and the toughest
graders is a remarkable
achievement."

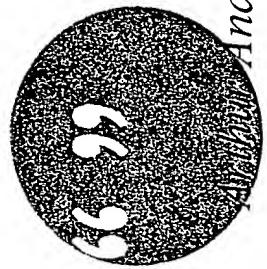
Emerson Research
Company

Emerson Research Company, a firm that has provided market research and information services focused on the Big Five professional services firms since 1983, recently released the results of its 1998/99 Big Five Client Satisfaction Studies.

- ④ Arthur Andersen ranked or tied for #1 in 9 of 12 components of client satisfaction in the Greater San Francisco Bay Area, including a tie for #1 for Information Technology Services.
- ④ Arthur Andersen ranked #1 in all 9 client satisfaction categories for U.S. multinational companies.
- ④ Arthur Andersen has become the first firm to achieve a 5 STAR/World-Class rating in overall client satisfaction.

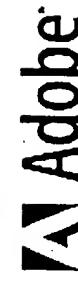
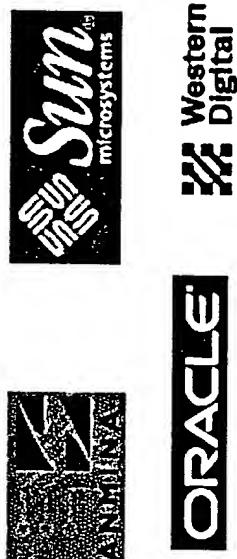
A Sample of our Clients

④ Clients and Alliances



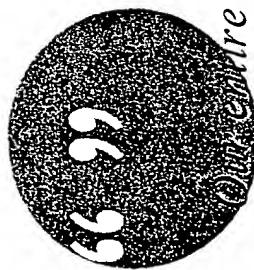
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Helping in ways
you never
imagined™



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*Entire team
is committed to
working with
EFS and
InfoRespond.*



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